Department of Finance

News Release

Immediate release

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Release of *The Fiscal Monitor*

The Honourable Jim Flaherty, Minister of Finance, today released *The Fiscal Monitor* for December 2006.

Highlights

December 2006: budgetary surplus of $1.2 billion

There was a budgetary surplus of $1.2 billion in December 2006, up $0.3 billion from the $0.9-billion surplus in December 2005. Budgetary revenues rose $1.4 billion, or 7.6 per cent, due to strong growth in personal and corporate income tax revenues as well as non-tax revenues, dampened by declines in other revenue streams, particularly excise taxes and duties. Program expenses increased by $0.8 billion, or 5.5 per cent, reflecting increases in transfer payments and departmental operating expenses. Public debt charges were up $0.3 billion.

April to December 2006: budgetary surplus of $7.3 billion

The budgetary surplus is estimated at $7.3 billion for the first nine months of the 2006–07 fiscal year, down from the $7.5-billion surplus posted in the same period of 2005–06. Revenues rose $7.8 billion, or 4.9 per cent, reflecting strong growth in income tax revenues and non-tax revenues, partially offset by declines in excise taxes and employment insurance premium revenues. Program expenses were up $7.9 billion, or 6.3 per cent, due to both higher transfers and other program expenses. Public debt charges were up $0.2 billion.

An update of the 2006–07 budgetary surplus projection will be provided in the budget.

The Fiscal Monitor is a monthly document that provides highlights of the federal government's fiscal performance, including monthly revenues, expenses, the budgetary balance and the financial source/requirement.

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